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C A N A D A  
PROVINCE OF QUEBEC  
DISTRICT OF MONTREAL  
COURT. No.: 500-11-057679-199

S U P E R I O R C O U R T  
Commercial Division

**IN THE MATTER OF A PLAN OF  
ARRANGEMENT OR COMPROMISE OF:**

**INVESTISSEMENT QUÉBEC**, a corporation  
duly constituted under the *Act respecting  
Investissement Québec* (CQLR c I-16.0.1),  
having its head office at 1195 avenue Lavigerie,  
suite 060, in the city of Quebec, Province of  
Quebec, G1V 4N3;

**Principal Secured Creditor**

- and -

**FIERA PRIVATE DEBT INC.**, a legal person  
initially incorporated under Part IA of the  
*Québec Companies Act*, CQLR c C-38 and  
subsequently continued under the *Québec  
Business Corporations Act*, CQLR c S-31.1,  
having its head office located 400-1699 Le  
Corbusier Blvd., in the city of Laval, Province of  
Quebec, H7S 1Z3, acting in its capacity,  
respectively, as manager and agent under the  
IAM Loan Agreement and under the Bridge  
Financing Agreement (as such terms are defined  
in the Application);

**Secured Creditor**

**FORTRESS GLOBAL ENTERPRISES INC.**, a  
legal person duly incorporated under the British  
Columbia *Business Corporations Act*, SBC 2002,  
c 57 having its head office at 157 Chadwick  
Court, 2<sup>nd</sup> floor, in the city of North Vancouver,  
Province of British Columbia, V7M 3K2;

- and -

**FORTRESS SPECIALTY CELLULOSE INC.**, a  
legal person initially incorporated under the  
British Columbia *Business Corporations Act*,  
SBC 2002, c 57 and subsequently continued  
under the *Canada Business Corporations Act*,  
RSC 1985, c C-44, having its head office located  
at 2500-1100 René-Lévesque Boulevard, in the  
city of Montreal, Province of Quebec, H3B 5C9;

- and -

**FORTRESS BIOENERGY LTD.**, a legal person initially incorporated under the British Columbia *Business Corporations Act*, SBC 2002, c 57 and subsequently continued under the *Canada Business Corporations Act*, RSC 1985, c C-44, having its head office located at 2500-1100 René-Lévesque Boulevard, in the city of Montreal, Province of Quebec, H3B 5C9;

- and -

**FORTRESS XYLITOL INC.** a legal person initially incorporated under the British Columbia *Business Corporations Act*, SBC 2002, c 57, having its registered office located at 1000 Cathedral Place, 925 West Georgia Street, Vancouver, Province of British Columbia V6C 3L2 Canada;

- and -

**9217-6536 QUÉBEC INC.** a legal person incorporated under the Quebec *Business Corporations Act*, RLRQ, C. S-31.1 having its head office located at 2500-1100 René-Lévesque Boulevard, in the city of Montreal, Province of Quebec, H3B 5C9

#### **Debtors**

- and -

**DELOITTE RESTRUCTURING INC.**, a company incorporated under the laws of Canada, having a place of business at 500-1190 av. des Canadiens-de-Montréal, in the city of Montreal, Province of Quebec, H3B 0M7;

#### **Monitor/Applicant**

**TWENTY-EIGHTH REPORT TO THE COURT  
SUBMITTED BY DELOITTE RESTRUCTURING INC.  
IN ITS CAPACITY AS MONITOR ("THE MONITOR")**  
*(Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended)*

## **INTRODUCTION**

1. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars. Capitalized terms not otherwise defined are as defined in the Application for the Issuance of a First Day Order, an Amended and Restated Initial Order, a Receivership Order and a Claims Procedure Order under the *Companies' Creditors Arrangement Act* ("**CCAA**") dated December 13, 2019 (the "**Initial Application**"). These proceedings commenced under the CCAA by Fortress will be referred to herein as (the "**CCAA Proceedings**").
2. On December 13, 2019, Investissement Québec ("**IQ**" or the "**Interim Lender**") and Fiera Private Debt Inc. ("**Fiera**" and collectively with IQ, the "**Secured Creditors**"), in their respective capacity as secured creditors of Fortress Global Enterprises Inc. ("**Fortress Global**"), Fortress Specialty Cellulose Inc. ("**Fortress Specialty**"), Fortress Bioenergy Ltd. ("**Fortress Bioenergy**"), Fortress Xylitol Inc. ("**Fortress Xylitol**") and

9217-6536 Québec Inc. ("**9217**") (collectively, "**Fortress**"), filed the Initial Application seeking, *inter alia*, the issuance of a First Day Initial Order, an Amended and Restated Initial Order in respect of Fortress pursuant to Sections 9, 11, 11.51, 11.52 of the CCAA, as well as a Claims Procedure Order and a Receivership Order pursuant to Section 243 of the *Bankruptcy and Insolvency Act*.

3. On December 13, 2019, the Monitor (as defined below) issued its First Report, which purpose was to provide information to the Court with respect to (i) Deloitte's qualification to act as Monitor; (ii) the business, financial affairs and financial results of Fortress; (iii) Fortress' main creditors; (iv) Fortress' solicitation process; (v) the proposed restructuring; (vi) the Key Employee Retention Program ("**KERP**"); (vii) the appointment of a receiver; (viii) the charges sought in the First Day Order; (ix) the D&O Trust; (x) the Claims Procedure Order; (xi) payments to Essential Suppliers (as defined in the First Report); (xii) overview of the 22-week cash flow projections as of the date of the First Report, in accordance with Section 23(1)(b) CCAA; and (xiii) the Monitor's conclusions and recommendations in the circumstances of the hearing and the motion presented by the Secured Creditors as co-applicants.
4. On December 16, 2019, the Superior Court of Québec, Commercial Division (the "**Court**") partially granted the Initial Application and rendered a First Day Initial Order (the "**First Day Order**"), which provided for, *inter alia*, (i) a stay of proceedings against Fortress until December 26, 2019 (the "**Stay Period**"); (ii) a stay of proceedings against the Directors and Officers; (iii) the appointment of Deloitte Restructuring Inc. as the monitor under the CCAA (the "**Monitor**"); (iv) the approval of Interim Financing Facility; and (v) the granting of an Interim Lenders' Charge.
5. On the same day, the Court also rendered a Receivership Order appointing Deloitte as receiver to a bank account opened in the name of Fortress Global for the sole purpose of allowing its employees to recover certain amounts which may be owing to them pursuant to the Wage Earners Protection Program Act ("**WEPPA**").
6. On December 19, 2019, the Secured Creditors filed an Application for the Issuance of an Amended First Day Order, which was presentable by conference call on December 26, 2019.
7. On December 26, 2019, the above-mentioned application was granted, and the Court rendered an Amended First Day Order which provided for, *inter alia*, (i) an extension of the Stay Period until January 10, 2020; (ii) an increase of the maximum principal amount of the Interim Financing Facility to \$1.5M; (iii) an increase of the Interim Lender Charge to up to \$1.8M; and (iv) the payment of Essential Suppliers (as defined in the First Report) up to a maximum of \$250K. On such date, the Court advised the parties that it would hear the Secured Creditors' Application for an Amended and Restated First Day Order.
8. On January 8, 2020, the Monitor issued its Second Report. The purpose of the Second Report was to provide information to the Court on the activities of Fortress and of the Monitor since the commencement of the CCAA Proceedings and to support the Secured Creditors' demand for the issuance of an Amended & Restated Initial Order.
9. On January 10, 2020, an Amended & Restated Initial Order was rendered by the Court (the "**Amended & Restated Initial Order**") which provided for, *inter alia*, (i) an extension of the Stay Period until May 2, 2020; (ii) an increase of the maximum principal amount of the Interim Financing Facility to \$6M; (iii) an increase of the Interim Lender Charge to up to \$7.2M; (iv) a KERP and KERP Charge in an amount up to \$610K; (v) a D&O Charge in an amount up to \$500K; (vi) an Administration charge in an amount up to \$600K; (vii) an Intercompany Advance Charge in an amount up to \$3M; and (viii) the undertaking of the Monitor to file a report to the Court on further material development every two months, and to post these reports on the Monitor's website.

10. On January 10, 2020, the Court also rendered a Claims Procedure Order (the “**Claims Procedure Order**”) allowing the Monitor to conduct a process for the determination and, if applicable, adjudication of claims against Fortress. Pursuant to the Claims Procedure Order, a “Claims Bar Date” was set on March 16, 2020, at 5:00 p.m. (Montreal time).
11. Since January 10, 2020, the Monitor has filed several reports with the Court, shared same with the Secured Creditors and served same to the Service List from time to time. Copies of all of the Monitor’s reports are available on the Monitor’s website.
12. On March 23, 2020, at the request of the Monitor, the Court rendered an order, essentially clarifying that the Stay Period applied to the proceedings involving regulatory bodies and commenced before the *Tribunal Administratif du Québec* bearing the court file number STE-Q-211461-1509 (the “**TAT Proceedings**”) and suspending the proceedings commenced before the Court of Québec, criminal and penal division, district of Gatineau, in connection with the notices of infraction bearing numbers 100400-1116574361, 1004400-1116574353, 100400-1116574346, 100400-1116574338 and 100400-1116574312 (the “**Penal Proceedings**”) until May 2, 2020 (the “**Stay Order Regarding Regulatory Bodies**”).
13. On May 1, 2020, the Court extended the Stay Period, including the Stay Order Regarding Regulatory Bodies, up until August 11, 2020.
14. On June 8, 2020, Lauzon – Plancher de Bois Exclusif Inc. (“**Lauzon**”) filed an application (the “**Lauzon Application**”) seeking, *inter alia*, the amendment of the Initial Order, together with various declaratory orders, which was opposed by the Monitor, with the support of IQ.
15. On July 15, 2020, after a contested hearing which lasted 2 days, the Lauzon Application was rejected, in part, by the Court. As part of its order (the “**Lauzon Order**”), the Court essentially confirmed that the biomass stored on Lauzon’s premises was the property of Fortress and ordered that the purchase agreement entered into between Lauzon and Fortress could not be terminated as will be discussed further below.
16. On August 10, 2020, the Court extended the Stay Period up to and including October 23, 2020, and, at the request of the Secured Creditors, increased the Interim Financing Facility to \$8M and the Interim Lender’s Charge to \$9.6M.
17. On that same day, instead of specifically extending the Stay Order Regarding Regulatory Bodies, the Court reserved the parties’ rights to make representations on the applicability or not of the Stay Period to the TAT Proceedings and Penal Proceedings.
18. On October 23, 2020, the Court extended the Stay Period up to and including September 30, 2021, and increased, at the request of the Secured Creditors, the Interim Financing Facility to \$17M and Interim Lender’s Charge to \$20.4M.
19. On December 18, 2020, following a motion from the Company supported by the Monitor, the Court rendered:
  - (i) the Order Approving a Charge in Favour of Hydro-Québec (the “**Hydro-Québec Order**”).
  - (ii) the Order Allowing the Distribution of Funds Held in Trust and Assigning Claims to the Monitor, essentially allowing the Monitor to distribute funds that were held in trust to Fortress employees for their unpaid claims (the “**Trust Order**”).
20. On June 16, 2021, the Monitor filed an Application for the Issuance of an Order Approving:
  - (i) a Litigation Funding Agreement; (ii) a Litigation Financing Charge; (iii) the Transfer of Certain Litigation Proceedings Before the Superior Court (Commercial Division); and (iv) an Agreement in Principle to Settle Certain Penal Proceedings (the “**Initial LFA Application**”).

21. On June 22, 2021, the Court rendered an order approving the settlement of the penal proceedings (the "**Penal Proceedings Order**") and postponed to August 12, 2021, the debate on the approval of the litigation funding agreement between Omni Bridgeway (Fund 5) Canada Investments Limited ("**Omni**"), the Monitor, in its capacity as Monitor of Fortress Specialty and Cain Lamarre LLP (the "**Lawyers**") (the "**Initial LFA**"), the litigation financing charge in favour of Omni and thereafter of the Lawyers in the amount of \$6M over only the litigation proceeds (the "**Litigation Financing Charge**") and the transfer of the litigation between Fortress Specialty and Goulds Pumps before the Superior Court (Commercial Division) (the "**Litigation Proceedings**").
22. On August 12, 2021, and August 13, 2021, the debate regarding the Initial LFA, the Litigation Financing Charge and the transfer of the Litigation Proceedings was heard by the Court.
23. On September 24, 2021, IQ filed an Application for the Issuance of an Order Extending the Stay Period & Increasing the Interim Lender Charge.
24. On September 29, 2021, the Court extended the Stay Period up to and including October 8, 2021.
25. On October 8, 2021, the Court extended the Stay Period up to and including March 31, 2022, and increased, at the request of IQ, the Interim Financing Facility to \$24M and the Interim Lender Charge to \$28.8M.
26. On November 1, 2021, the Court rendered its judgment on the Initial LFA Application which refused to approve the LFA in its proposed form and expressed the Court's view with respect to the required changes as described further in this report (the "**Initial LFA Judgment**").
27. On November 19, 2021, the Monitor filed an *Application for the Issuance of an Order Approving a Litigation Funding Agreement and a Litigation Financing Charge* (the "**Amended LFA Application**").
28. On December 30, 2021, the Court rendered its judgment on the Amended LFA Application which refused to approve the Amended LFA in its proposed form and expressed the Court's view with respect to the required changes as described further in this report (the "**Amended LFA Judgment**").
29. On February 11, 2022, the Monitor filed an Application for the Issuance of an Order Approving an Amended Litigation Funding Agreement and the creation of a Litigation Funding Charge (the "**Re-amended LFA Application**"). On the same day, the Court rendered an *Order Approving a Litigation Funding Agreement and a Litigation Financing Charge* approving the Initial LFA, as amended pursuant to an Amendment No. 1 to Litigation Funding Agreement (the "**First Amendment**" and together with the Initial LFA, the "**Amended LFA**") and pursuant to an Amendment No. 2 to Litigation Funding Agreement (the "**Second Amendment**" and together with the Amended LFA, the "**LFA**").
30. On February 23, 2022, IQ filed an *Application for the Issuance of an Order Extending the Stay Period and Approving a Fourth Amending Agreement to the Interim Financing Agreement*.
31. On March 3, 2022, the Court extended the Stay Period up to and including May 31, 2022, and increased, at the request of IQ, the Interim Financing Facility to \$27M and the Interim Lender Charge to \$32.4M.
32. On May 24, 2022, IQ filed an *Application for the Issuance of an Order Extending the Stay Period and Approving a Fifth Amending Agreement to the Interim Financing Agreement*.

33. On May 27, 2022, the Court extended the Stay Period up to and including October 14, 2022, and increased, at the request of IQ, the Interim Financing Facility to \$30.8M and the Interim Lender Charge to \$37.0M.
34. On October 4, 2022, IQ filed an *Application for the Issuance of an Order Extending the Stay Period* (the "**Application**").
35. On October 7, 2022, the Court extended the Stay Period up to and including November 25, 2022.
36. On November 21, 2022, IQ filed an Application for the Issuance of an Order Extending the Stay Period & Approving a Sixth Amending Agreement to the Interim Financing Agreement.
37. On November 25, 2022, the Court extended the Stay Period up to and including April 28, 2023, and increased, at the request of IQ, the Interim Financing Facility to \$33.8M and the Interim Lender Charge to \$40.6M.
38. On April 21, 2023, IQ filed an Application for the Issuance of an Order Extending the Stay Period & Extending the Stay to the SAP Proceedings.
39. On April 24, 2023, the Monitor filed an Application for the Issuance of an Order Approving the Settlement of the Claim of a Former Employee and the Execution of a Settlement.
40. On April 27, 2023, the Court extended the Stay Period up to and including June 23, 2023, and approved the above-mentioned settlement.
41. On June 19, 2023, IQ filed an *Application for a Stay Extension & Authorizing the Termination of a Trust and the Release of Trust Funds*.
42. On June 22, 2023, the Court extended the Stay Period up to and including September 29, 2023, and approved the termination of a trust and the release of trust funds.
43. On September 21, 2023, IQ filed an Application for the Issuance of an Order Extending the Stay Period & Approving a Seventh Amending Agreement to the Interim Financing Agreement.
44. On September 26, 2023, the Court extended the Stay Period up to and including January 31, 2024, and approved the above-mentioned settlement.
45. On January 16, 2024, IQ filed an Application for the Issuance of an Order Extending the Stay Period.
46. On January 19, 2024, the Court extended the Stay Period up to and including March 15, 2024.
47. On March 12, 2024, IQ filed an Application for the Issuance of an Order Extending the Stay Period & Approving an Eighth Amending Agreement to the Interim Financing Agreement.
48. On March 15, 2024, the Court extended the Stay Period up to and including May 10, 2024, and approved the Eighth Amending Agreement to the Interim Financing Agreement.
49. On May 7, 2024, IQ filed an *Application for the Issuance of an Order Extending the Stay Period*.
50. On May 10, 2024, the Court extended the Stay Period up to and including July 30, 2024, and approved the Eighth Amending Agreement to the Interim Financing Agreement.

51. On July 19, 2024, the Monitor filed an *Application for the Issuance of an Approval and Vesting Order and an Ordonnance de Radiation (Discharge Order)* (as amended, the "Approval Application").
52. On July 25, 2024, the Court *inter alia* rendered:
- (i) an approval and vesting order (the "**Vesting Order**") approving the sale of substantially all of Fortress' assets (the "**Purchased Assets**") by way of "*credit-bid*" to 9109-3294 Québec Inc. (the "**Purchaser**") further to the partial assignment of IQ's secured debt as against the Debtors to 9109-3294 Québec Inc. (the "**Sale Transaction**"); and
  - (ii) an extension order, extending the Stay Period up to and including September 30, 2024.
53. On September 26, 2024, the Monitor filed an *Application for the Issuance of an Extension Order*.
54. On September 30, 2024, the Court extended the Stay Period up to and including September 30, 2025, praying act of the Monitor's undertaking to file with the Court a report by April 30, 2025, to update the Court on the developments in the CCAA Proceedings.
55. On September 25, 2025, the Monitor filed an Application for the Issuance of an Order Extending the Stay of Proceedings, Approving a Distribution and Terminating the CCAA Proceedings (the "**Application**").
56. In accordance with the Amended and Restated Initial Order, the Monitor hereby issues its Twenty-Eighth report (the "**Twenty-Eighth Report**"). The purpose of the Twenty-Eighth Report is to inform the Court with respect to the following:
- I. Update on Fortress' operations;
  - II. The Monitor's activities since the Twenty-Seventh Report;
  - III. Fortress' cash flow up to August 31, 2025 (11 months);
  - IV. Request for the approval of a distribution to the Interim Lender;
  - V. Request for an extension of the Stay Period;
  - VI. Application to terminate the CCAA Proceedings and to discharge the Monitor;
  - VII. The Monitor's conclusions.

## **I. UPDATE ON FORTRESS' OPERATIONS**

### ***Les Pompes Goulds***

57. As mentioned in the Twenty-Seventh Report, Fortress' rights and interest in the Litigation Proceedings were excluded from the Purchased Assets and therefore remained in Fortress' patrimony.
58. Shortly prior to the start of the trial, the parties entered into a final round of negotiation and were able to agree on the terms and conditions for the settlement of the Litigation Proceedings (the "**Settlement**").

59. Considering the Monitor's authority pursuant to the Amended LFA settle(m on behalf of the Plaintiff (in consultation with IQ and after taking into consideration the advice of the Lawyers (as defined in the Amended LFA) and the guidelines set out in Exhibit C of the Amended LFA), the Monitor accepted the Settlement and executed the final documentation confirming the Settlement for and on behalf of the Debtors.
60. In order for all parties to agree to the terms and conditions of the Settlement, the parties to the Amended LFA agreed to amend certain terms and conditions of the Amended LFA, which are set out in the Amendment No. 3 to Litigation Funding Agreement ("**Amendment No. 3**") filed as an Exhibit in support of the Application.
61. The amendments set out in Amendment No. 3 are reasonable and benefit the Debtors and their stakeholders. Accordingly, the Monitor is of the view that this Court should approve Amendment No. 3.
62. The allocation of the proceeds of the Settlement, in accordance with the terms and conditions of the Amended LFA (as amended pursuant to Amendment No. 3), is provided as **Appendix A (under seal)** of this report.

## **II. THE MONITOR'S ACTIVITIES SINCE THE TWENTY-SEVENTH REPORT**

### General

63. More generally, the Monitor, with the assistance of Fortress, has been responding to questions from various stakeholders as to the status of the CCAA Proceedings.
64. As described later in this report, delays occurred in the refunds of sales tax. The Monitor tried to resolve this situation without success. Therefore, the Monitor's legal counsel reached out to Revenu Québec's legal counsel in June 2025 and has had discussions with them with the objective of facilitating the obtention by the Monitor of the required authorizations. On September 24, 2025, the Monitor received the contact information of a Representative of Revenu Québec who should be in a position to help resolve this issue.
65. The estimated amount to be received from the QST/GST will be determined in the coming weeks.

### Remaining Assets

66. As previously mentioned in the Twenty-Seventh Report, as part of the Sale Transaction, two vacant lands were excluded from the Purchased Assets and are therefore still owned by Fortress:
  - (i) a vacant land located in Gatineau and covered by dense forest.
  - (ii) a vacant land located in Notre-Dame-de-la-Salette known as the Poupore Bark Pile Site. The site was covered and revegetated. It is estimated that the site contains 300,000 tons of wood bark residue.
67. Since the closing of the Sale Transaction, the Monitor, at the request of the Interim Lender, mandated firms to conduct a phase 1 environmental study on both lands as well as an assessment of the value of those sites and mandated a real estate agent to sell those lands.
68. A transaction is currently being finalized regarding the Notre-Dame-de-la-Salette property. To this effect, the Monitor provided its comments on the deed of sale on September 24, 2025.

69. Considering that the value of the aforementioned potential transactions is within the limits set out as part of the Amended & Restated Initial Order which dispense the Monitor from seeking the approval of the Court, the Monitor does not intend to seek this Court's approval of these transactions.
70. Furthermore, as disclosed in previous reports, following the closing of the transaction, the Monitor was informed that Fortress held unused carbon credits in an account. After conducting validation, the Monitor discovered that these carbon credits had value and that there was a market to sell them.
71. As indicated in the previous report, the Monitor was finalizing a transaction with a broker specialized in carbon credits in order to sell Fortress' unused carbon credits. This transaction was completed and the Monitor received the proceeds in May 2025.
72. The Monitor did not seek this Court's approval of the transaction regarding the carbon credits considering that the value of the transaction was within the limits set out as part of the Amended & Restated Initial Order which dispense the Monitor from seeking the approval of the Court.

### **III. FORTRESS' CASH FLOW UP TO AUGUST 31, 2025 (11 MONTHS)**

73. Fortress' financial performance highlights for the period from September 22, 2024, to August 31, 2025, are presented in the Actual Cash Flow annexed hereto as **Appendix B**. The Monitor's comments on Fortress' financial performance during this period are the following:
- (i) compared with the initial statement of projected cash flow presented to the Court in the Twenty-Sixth Report on September 26, 2024 (the "**Initial Cash Flow Statement**"), Fortress experienced a favorable variance of \$960K in cash inflows mainly explained by:
    - i. a favorable variance of \$610K in Reimbursement of expenses. This favorable variance is offset by the unfavorable variance in Cold Idle Plus disbursements described below. This variance is explained by the fact that some works required by the purchaser have been paid through Fortress in order to facilitate the process with the suppliers. These funds were advanced by the purchaser and then immediately disbursed by Fortress;
    - ii. an unfavorable variance of \$84K in GST & QST refunds. This variance is temporary and due to timing. The Monitor is working with Revenu Québec in order to correct the situation; and,
    - iii. a favorable variance of \$350K in other revenues is due to sale of carbon credits (\$250K), collection of an unpaid invoice for sale of parts (\$71K) as well as insurance reimbursement (\$29K).
  - (ii) compared with the Initial Cash Flow Statement, Fortress experienced an unfavorable variance of \$890K in cash outflows. The variance is primarily attributable to an unfavorable variance of \$849K in Cold Idle Plus. As described above, certain works requested by the purchaser have been paid through Fortress. The remaining unfavorable variance of \$155K in Cold Idle Plus is due to higher than budgeted costs for works that have to be completed by Fortress as per the budget.

(iii) compared with the Initial Cash Flow Statement, Fortress experienced a net favorable variance of approximately \$70K, as explained, mainly related to permanent variance in Cold Idle Plus and other revenues as well as timing of QST/GST refunds.

74. As of the date of this Twenty-Eighth Report, all post-filing expenses incurred by Fortress have been or will be paid in the normal course of business out of the Interim Financing Facility described in the First Report or from the funds to be collected.

#### IV. REQUEST FOR THE APPROVAL OF A DISTRIBUTION TO THE INTERIM LENDER

75. As previously explained and as described in the table below, the Monitor intends to collect some receipts in the coming weeks and to pay some remaining fees.

Fortress Global Entreprises & AI Distribution to Interim Lender in \$000 CAD		Amount
<b>Bank Accounts as of Aug 31, 2025</b>		<b>403</b>
Projected Receipts		890
<u>Projected Disbursements</u>		
- Professionnal fees		(50)
- Miscellaneous		(35)
		<u>(85)</u>
<b>Projected Bank balances</b>		<b><u>1,208</u></b>
Requested distribution to Interim Lender		<u>(1,058)</u>
<b>Bank balances - Bankruptcies</b>		<b><u>150</u></b>

76. Based on the expected level of receipts and disbursements, the Monitor would like to proceed with a distribution to the Interim Lender up to a maximum amount of \$1.1M (the "**Proposed Distribution**").

77. The Monitor is seeking the authorization to proceed with a distribution up to a maximum amount considering that there are remaining amounts to be collected and a final reconciliation will need to be made prior to any amount being distributed to the Interim Lender.

78. As of the date hereof, it is clear that no creditor, other than the Interim Lender, will receive any distribution considering that all the material assets of the Debtors have already been realized and the expected proceeds from the realization of the remaining assets are clearly insufficient to reimburse in full the amounts owing to the Interim Lender.

79. The Monitor is of the view that the Court should approve the Proposed Distribution given that no party will be materially prejudiced as a result of this distribution.

#### V. REQUEST FOR AN EXTENSION OF THE STAY OF PROCEEDINGS

80. The Monitor is seeking an extension of the Stay Period until and including December 15, 2025, in order to finalize the realization of the Debtors' remaining assets, collect the remaining receipts, pay the remaining post-filing invoices and proceed to the Proposed Distribution.

81. The Monitor is informed that Fortress intends to continue to pay post-filing amounts owed to its trade creditors for services rendered and goods provided in the normal course of business during the CCAA Proceedings.
82. As described above, the table illustrates that Fortress will have sufficient liquidity to continue to meet its obligations in the ordinary course of business without an additional increase to the Interim Financing Facility.

## **VI. APPLICATION TO TERMINATE THE CCAA PROCEEDINGS AND TO DISCHARGE THE MONITOR**

83. As noted above, the Monitor has brought the Termination Application in order to terminate the CCAA Proceedings and to discharge the Monitor in accordance with the terms of the Proposed Termination Order.
84. The Proposed Termination Order contemplates, *inter alia*, that upon the filing of a certificate by the Monitor (the “**CCAA Termination Certificate**”) attesting that all remaining matters to be attended to in connection with the CCAA Proceedings have been completed, the CCAA Proceedings will be terminated and the Monitor shall be discharged from its duties as Monitor and released, the whole in accordance with the terms of the Proposed Termination Order.
85. The restructuring of the Debtors under the CCAA is almost completed subject to finalizing the disposition of the residual assets (which is expected to be completed in short order), proceeding with the Proposed Distribution and assigning the Debtors into bankruptcy and the Monitor is not aware of any other matters that remain to be attended to in the context of CCAA Proceedings.
86. Considering the foregoing, and with a view to minimizing costs in a context where the Interim Lender will not be reimbursed in full, the Monitor is of the view that it is reasonable and appropriate under the circumstances to approve the *modus operandi* set out in the Termination Order to allow the Monitor to terminate the CCAA Proceedings once it has resolved the limited outstanding matters outlined herein, without the need for an additional hearing.

## **VII. THE MONITOR’S CONCLUSIONS**

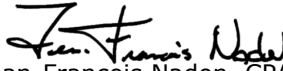
87. In light of the foregoing, the Monitor is of the view that:
  - (i) The sought extension of the Stay Period up to and including December 15, 2025, is required in order to finalize the sale of the remaining assets and proceed with the Proposed Distribution;
  - (ii) Based on the information presently available, the Monitor believes that Fortress’ creditors will not be materially prejudiced by the proposed extension of the Stay Period;
  - (iii) Amendment No. 3 is appropriate and reasonable, benefits the Debtors and their stakeholders and no party will be prejudiced by its approval;
  - (iv) It is appropriate to approve the *modus operandi* set out in the Termination Order to allow the Monitor to terminate the CCAA Proceedings once it has resolved the limited outstanding matters outlined herein, without the need for an additional hearing; and
  - (v) The Monitor believes that Fortress has acted, and continues to act, in good faith and with due diligence.

88. Accordingly, the Monitor recommends that the Stay Period be extended until and including December 15, 2025, and issue the Termination Order as submitted.
89. The Monitor confirms that there is no further material development to report in this matter at this time, other than what is provided for in this Twenty-Eighth Report of the Monitor.
90. The Monitor respectfully submits to the Court this, its Twenty-Eighth Report.

DATED AT MONTREAL, this 26<sup>th</sup> day of September 2025.

**DELOITTE RESTRUCTURING INC.**

In its capacity as Court-Appointed Monitor of Fortress



Jean-François Nadon, CPA, CIRP, LIT  
President



Benoît Clouâtre, CPA, CIRP, LIT  
Senior Vice-President

# Appendix A (Under Seal)

# Appendix B

## APPENDIX B

### Fortress Global Enterprises & AI

### Budget-to-Actual Analysis for the 11-month period ended August 31, 2025

(in \$000 CAD)

	For the 11-month period ended August 31, 2025				Note
	Actual	Budget	Var (\$)	Var (%)	
<b>Consolidated Receipts</b>					
Deposit reimbursement from Hydro-Québec	200	200	-	0%	
Reimbursement of expenses	868	174	694	399%	Note 1
GST & QST refunds	70	154	(84)	-55%	Note 2
Others	350	-	350	0%	Note 3
<b>Total - Receipts</b>	<b>1,488</b>	<b>528</b>	<b>960</b>	<b>182%</b>	
<b>Disbursements</b>					
Environmental site assessment	890	890	-	0%	
Cold Idle Plus	1,041	192	(849)	-442%	Note 1
Payroll	178	153	(25)	-16%	
Vacations	114	150	36	24%	
Trade payables - Operation	46	23	(23)	-100%	
Land surveying	-	10	10	100%	
Insurance	21	36	15	42%	
Professional fees:	829	780	(49)	-6%	
Others	5	-	(5)	0%	
<b>Total - Disbursements</b>	<b>3,124</b>	<b>2,234</b>	<b>(890)</b>	<b>-40%</b>	
<b>Change in Cash-Flow</b>	<b>(1,636)</b>	<b>(1,706)</b>	<b>70</b>	<b>4%</b>	
Net cash (Shortfall) - Beginning	2,039	2,039	-	0%	
<b>Net cash (Shortfall) - Ending</b>	<b>403</b>	<b>333</b>	<b>70</b>	<b>21%</b>	

APPENDIX B (con't)

Fortress Global Enterprises & AI

Notes on Budget-to-Actual Analysis

For the 11-month period ended August 31, 2025

Note 1	Reimbursement of expenses & Cold Idle Plus	Reimbursement of expenses & Cold Idle Plus variances should be analyzed together since in order to facilitate the progress of the work to be completed on site, some works required by the purchaser was advanced by the purchaser and then paid through Fortress. The remaining unfavorable variance of \$155K is due to higher than budgeted costs for works that has to be completed by Fortress as per the budget.
Note 2	GST & QST refunds	The unfavorable variance of \$84K is due to delay in QST/GST refunds. The Monitor is working with Revenu Quebec in order to correct the situation.
Note 3	Other revenues	The favorable variance of \$350K in other revenues is due to sale of carbon credit (\$250K), collection of unpaid invoice for sale of part (\$71K) as well as insurance reimbursement (\$29K).